



MINUTES

The Board of Trustees of the Public Employees Retirement Association met in a regular session in the Association offices, 60 Empire Drive, Room 117, Saint Paul, Minnesota, on Thursday, April 11, 2024, at 9:30 a.m., with notice given three days prior thereto by the Secretary.

The following members were present:

Thomas Stanley, President

Julie Blaha/Ramona Advani (Remote)
Paul Bourgeois (Remote)
Mary Falk (Remote)
Dennis Flaherty

Kathy Green (Remote)
Barbara Johnson (Remote)
Jenni Konigsburg
Scott Schulte

constituting a quorum.

Excused: Paul Ford, Thomas Thornberg

Attorney General Representative: Frank Langan

Staff members present: Doug Anderson, Executive Director; Julie Leppink, Legal Counsel; Lance LaFrombois; Deputy General Counsel; Mark Sauceman, Chief Information Officer; Amy Strenge, Legislative Policy Coordinator; Heather Schoenberger; Account Information Management; Andrea Murphy, Communications and Stakeholder Engagement Supervisor; Breann Pelto, PS-Benefit Calculations; Saeng Xiong, PS-Benefit Calculations; Kristen Kesty, PS-Benefit Calculations ; Keisha Woods, PS-Benefit Calculations ; Patrick Daly, PS-Benefit Calculations; Jenifer Moua, PS-Benefit Calculations; Laura Ochoco, PS-Benefit Calculations; Ali Nesmith, PS-Benefit Calculations; Matthew Nolan, PS-Benefit Calculations; Me Vue, PS-Benefit Calculations; Sarah Broton, PS-Benefit Calculations; Tami Hawes, PS-Benefit Calculations; Aaron Michaels, PS-Benefit Calculations; Anteneh Fulas, PS-Benefit Calculations Supervisor; Gladys Rodriguez, Executive Assistant.

Others present: Harry Grigsby, Retiree; Bonnie Wurst, GRS; Sheri Christensen, GRS; Ann Lenczewski, LGN; Alex Hassel, LGN; Jasmine Epps, MNFAC; Wade Laszlo, MNCORA; Seth Justice Loeffler-Kemp, St. Louis County 911 Dispatch; Ryan Stauber, St. Louis County 911; Rodney Rowe, ED MN; Brian Rice, Rice, Walther & Mosley, MPFF, MPFA; Frankie Johnson, MPFF, MPFA.

1. Call to Order

President Stanley called the meeting to order at 9:30 a.m. The meeting was held in person and remotely via interactive technology as permitted in Minnesota Statutes Section 13D.015. Stanley noted that Trustee Thomas Thornberg, Retired Annuitant Representative, was re-elected by Governor Walz to serve another four years. Roll call was taken to establish quorum.

Schulte moved to adopt the agenda as presented. The motion was seconded by Flaherty and passed unanimously by roll call vote.

The agenda was taken in the following order.

2. Approval of Consent Calendar

- March 14, 2024, Regular Board Meeting Minutes
- Operational Data Report

Flaherty moved to approve the Consent Calendar. The motion was seconded by Schulte and passed unanimously by roll call vote.

3. GASB 68 Audit Opinion and Report

Reference was made to GASB 68 Audit Opinion and Report

Gebhard shared that the GASB 68 Schedules for the employer allocations and ending net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for all the PERA Plans are in good standing in accordance with accounting principles generally accepted in the United States.

4. PERA 2024 Legislative Agenda Update

Streng provided an update on the following PERA legislative initiatives that were included in HF 5040 / SF 4643.

- Executive Director Qualifications & Salary Range- PERA's executive director qualifications and salary range was modified to match TRA and MSRS.
- General and Correctional Plan Workers' Compensation Offsets- eliminates workers' compensation from offsets to match the P&F Plan.
- Defined Contribution Plan- change in statute to ensure the plan meets federal IRS requirements.
- Statewide Volunteer Firefighter Plan- change from annual to biennial reporting for lump sum plan annual reports.
- Survivor Benefit Recodification- restructures PERA's survivor benefits.

In addition to PERA's initiatives, Streng reported on Legislature initiatives that impact PERA:

- Amortization Date and Working Group Establishment - resolves a conflict in statute regarding the amortization date and establishes a working group.
- Internal Revenue Code Compliance- expands on the Correction of Errors section of statute.
- State Aids- establishes a look back period of 3 years instead of 1 year for expiration of state aids.

5. Stakeholder 2024 Legislative Agenda

Streng noted that only two stakeholder legislative proposals were included in HF 5040 / SF 4643.

- MNFAC and LMC initiative- modifies the definition of firefighter.
- Correctional Stakeholders initiative- increases the Correctional multiplier to 2.2% with required employer and employee contribution increases.

Initiatives that were not included in the Omnibus Retirement bill:

- Police & Fire Plan change of work after retirement rules.

- Police & Fire Plan elimination of the additional COLA waiting period and modification of COLA to match PERA General.
- Increase of the survivor benefits for Police & Fire Plan members killed in-the-line of duty.
- Earlier retirement provisions for probation officers and 911 tele-communicators Stakeholders.
- Elimination of the sunset provisions on two \$9M State contributions.
- Modification of the Police & Fire Plan employer and employee contributions.
- Removal of the sunset provision on work after retirement rules for healthcare workers and modification of working after retirement threshold.
- Adding LMFTs to the medical professionals allowed to sign the reapplication report.
- Forfeiture upon conviction of a felony for police officers.
- Adding a dedicated Correctional Plan member to the PERA Board.

Strenge noted that stakeholders and some Legislators are having conversations regarding the possibility of creating a new Plan to cover certain public safety groups. The Legislature would determine the groups receiving enhanced benefits. Staff asked GRS to provide a quote for consulting and analysis related to a potential new pension plan.

Wurst provided a summary of the scope of work necessary to develop a report evaluating the implications and actuarial cost impact of creating a new plan for certain public safety groups. The actuarial study would determine what assumptions should be used to determine costs for the desired benefit provisions. The project would be completed in six phases:

Phase 1 –gather information and review all provided member data and plan details.

Phase 2 – develop actuarial assumptions for baseline and include alternate scenarios.

Phase 3 – calculate the costs associated with the new plan under the baseline and include up to two alternate set of scenarios under different assumptions.

Phase 4 – research and summarize examples of pension plan provisions in other states for members who are not police officers or firefighters.

Phase 5 – provide a detailed report summarizing the analysis, actuarial assumptions and methods, summary of plan provisions and participant data, examples of plan provisions in other states for similar employee groups, and costs associated with the proposed plan under baseline and up to two alternate scenarios.

Phase 6 – provide analysis of up to two alternate benefit structures.

The fees associated with this project would be \$36,000 to \$48,000, with the upper end of the range applicable if there are multiple benefit structures requested by staff.

Strenge noted that there is no funding from the Legislature to fund the research and development of a study.

After a lengthy discussion, Flaherty moved that PERA absorb the cost for the actuarial study to ensure that the cost and structure of any potential plan is appropriately determined. The motion was seconded by Schulte and passed unanimously by roll call vote.

6. **FYI: Minnesota Public Pension Plan Statistics, June 30, 2023**

Reference was made to Minnesota Public Pension Plan Statistics for coordinated members and basic members for MSRS, PERA, TRA and St. Paul Teachers as of June 30, 2023.

7. **Attorney General Litigation Update**

Assistant Attorney General Langan provided an update related to the Minnesota Duty Disabled Association v. PERA, Court File No. 62-cv-23-5420.

8. **Date of Next Meeting**

The next meeting of the PERA Board of Trustees will be held Thursday, May 9, 2024, starting at 9:30 a.m. in the Board Room 117 of the Retirement Systems of Minnesota Building.

9. **Adjournment**

There being no further business to come before the PERA Board, Schulte made a motion to adjourn the meeting. The motion was seconded by Falk and passed unanimously by roll call vote.

Meeting adjourned at 11:08 am.



Doug Anderson, Executive Director